

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

NCRMP – Fixing of Time Schedule for finalization of Tenders under Component-B of NCRMP Works/Packages funded by the World Bank – Orders - Issued.

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REVENUE (DISASTER MANAGEMENT.III) DEPARTMENT

G.O.Ms.No. 2

**Dated:02-07-2012
Read the following:**

1. G.O.Ms.No.2 Revenue (DM.III) Department, Dated 05-02-2010.
2. Minutes of the Meeting held with Heads of Line Departments, Dated 21-04-2012.
3. World Bank, New Delhi, Aide Memoire dated 30-05-2012.

ORDER :

The National Cyclone Risk Mitigation Project (NCRMP) in Andhra Pradesh is funded by the World Bank costing US \$ 167.10 million (Rs.771.50 Crores) as a Centrally Sponsored Scheme (CSS) with 100% assistance for A,C & D components and assistance to the State shall be in the form of Grant-in-Aid. Funding for Component "B" shall be in the ratio of 75% from the Centre and 25% from the State. The duration of the project is three years consisting of Phase-I & II programme. The project agreement with the World Bank was concluded on 14.01.2011. The works under this project are covered in the 9 coastal districts of Andhra Pradesh.

2. Orders have been issued in the G.O. 1st read above, constituting Technical Evaluation Committee (TEC) and Financial Evaluation Committee (FEC) for procurement of all works relating to Component-B of National Cyclone Risk Mitigation Project (NCRMP) costing Rs.2.00 Crores and above.

3. Under Phase-I of NCRMP tenders have been invited for 102 packages, in the year 2010 and 2011. Out of which 80 packages were awarded and 22 packages could not be awarded as there was no response. An analysis of the 80 awarded packages revealed the following issues:-

- (a) None of the 80 packages were awarded within the initial bid validity period of 90 days as per the conditions stipulated for NCRMP by the World Bank.
- (b) The 11 packages of R&B Department were awarded **after 117 days** from the last date of receipt of bids.
- (c) The lowest bids recommended by the Chief Engineer Panchyati Raj (PR) for approval were sent to the Government **after 203 days and 146 days in case of 1st lot and 2nd lot respectively from the last date of receipt of bids.**
- (d) The 1st lot and 2nd lot of bids of PR Department were awarded **after 231 days and 176 days respectively from the last date of receipt of bids.**
- (e) Even after the approval of bids, there was delay, in issuing Letter of Acceptance (LOA) by the concerned Departments.
- (f) In some cases, the agreements were concluded much later after approval of lowest bids and issue of LOA, which is in contravention of Bidding Document approved by World Bank which in turn may result in litigation.

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4. As stated above and due to various reasons, there was abnormal delay in the evaluation of bids at SE/CE level by the PR Department, which could have been avoided. This factor largely resulted in avoidable delay in awarding the works. Consequent to the above, the progress of the project also got delayed which resulted in cost/time overrun and lesser expenditure. Also since price adjustment clause is applicable, due to abnormal delay in award of the works, extra price has to be paid to the contractors due to escalation in prices thereby causing extra financial burden to the Government. Further, the benefits from infrastructure investments reach very late to the fishermen for whom they are meant.

5. The above issues were discussed in the meeting held by Commissioner for Disaster Management & Ex-Officio Principal Secretary to Government, Revenue (Disaster Management) & Project Director, NCRMP with Engineer-in-Chief's of Roads & Buildings/Panchayati Raj/Irrigation Departments and Chief Engineer, Panchayat Raj, NCRMP & RIAD on 21-04-2012 and resolved to fix a time schedule for finalization of bids under Component B of NCRMP Works/Packages as stated below:-

(A) Bids received up to 5% premium for works/packages costing below Rs.2.00 Crores:-

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| (a) Submission of Bid Evaluation Report (BER) by the Superintending Engineers to the concerned Chief Engineer of Panchayati Raj, ENC (R & B) and ENC (I & CAD). | } | within 10 days from the date of opening of bids. |
| (b) Approval of Bid Evaluation Report (BER) by the CE Concerned /ENC's concerned. | } | Within 30 days from the date of opening of bids. |
| (c) Issue of Letter of Acceptance (LOA) by the concerned SE's PR, R&B and I & CAD | } | Within 07 days from date of approval of BER by the CE/ENC |
| (d) Signing of Contract Agreement / Issue of Notice to proceed with the work by the concerned. | } | Within 21 days from date of issue of LOA. |

B. For all other bids received with above 5% premium shall be referred to TEC and then to FEC for finalization as per the following time schedule:-

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|--|---|--|
| (i) Submission of Bid Evaluation Report (BER) by the SE's, PR, R&B and I&CAD to the concerned CE Panchyati Raj, ENC (R & B) and ENC (I & CAD). | } | Within 10 days from date of opening of bids |
| (ii) Submission of Bid Evaluation Report(BER) to the Government by the concerned CEs / ENC | } | Within 30 days from the date of opening of bids. |
| (iii) Approval of BER by the Government | } | Within 15 days from the date of receipt of BER |
| (iv) Issue of Letter of Acceptance (LOA) by the concerned SE's of PR, R&B and I & CAD. | } | Within 07 days from the date of approval of BER by the Government. |
| (v) Signing of Contract Agreement/Issue of notice to proceed with the work | } | Within 21 days from the date of issue of LOA. |

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6. The World Bank communicated Aide Memoire vide reference 3rd cited, which is based on World Bank Implementation Support Mission visit to Andhra Pradesh during the period April 11th to 13th, 2012 findings. The World Bank at Para 19 of page 6 of Aide Memoire i.e., regarding Procurement and Financial Management advised the SPIU to take necessary steps to expedite the process of bid awards within the stipulated period of 90 days.

7. After careful examination of the entire matter the Government accept the recommendations of the committee of Engineer-in-Chiefs and accordingly order to fix a time schedule for evaluation and finalisation of bids for all works taken up under NCRMP as stated below:-

(A) Bids received up to 5% premium for works/packages costing below Rs.2.00 Crores:-

- | | | |
|---|---|---|
| (a) Submission of Bid Evaluation Report (BER) by the Superintending Engineers to the concerned Chief Engineer of Panchayati Raj, ENC (R & B) and ENC (I & CAD). | } | within 10 days from the date of opening of bids. |
| (b) Approval of Bid Evaluation Report (BER) by the CE Concerned /ENC's concerned. | } | Within 30 days from the date of opening of bids. |
| (c) Issue of Letter of Acceptance (LOA) by the concerned SE's PR, R&B and I & CAD | } | Within 07 days from date of approval of BER by the CE/ENC |
| (d) Signing of Contract Agreement / Issue of Notice to proceed with the work by the concerned. | } | Within 21 days from date of issue of LOA. |

A. For all other bids received with above 5% premium shall be referred to TEC and then to FEC for finalization as per the following time schedule:-

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|--|---|--|
| (i) Submission of Bid Evaluation Report (BER) by the SE's, PR, R&B and I&CAD to the concerned CE Panchyati Raj, ENC (R & B) and ENC (I & CAD). | } | Within 10 days from date of opening of bids |
| (ii) Submission of Bid Evaluation Report(BER) to the Government by the concerned CEs / ENC | } | Within 30 days from the date of opening of bids. |
| (iii) Approval of BER by the Government | } | Within 15 days from the date of receipt of BER |
| (iv) Issue of Letter of Acceptance (LOA) by the concerned SE's of PR, R&B and I & CAD. | } | Within 07 days from the date of approval of BER by the Government. |
| (v) Signing of Contract Agreement/Issue of notice to proceed with the work | } | Within 21 days from the date of issue of LOA. |

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8. The Engineer-in-Chief (Panchayati Raj), Engineer-in-Chief (R&B), Engineer-in-Chief (Irrigation) and Chief Engineer, Panchayati Raj, RIAD executing NCRMP works are directed to follow the instructions scrupulously.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

DR. T. RADHA,
COMMISSIONER FOR DISASTER MANAGEMENT &
EX-OFFICIO PRINCIPAL SECRETARY TO GOVERNMENT.

To

1. The Engineer-in-Chief, Panchayati Raj Department, Hyderabad.
2. The Engineer-in-Chief (State Roads), R & B Department, Hyderabad.
3. The Engineer-in-Chief (Irrigation), I & CAD Department, Hyderabad.
4. The Chief Engineer, NCRMP & RIAD, Panchayati Raj Department, Hyderabad.
5. The Team Leader, PMC, Hyderabad.
6. The Project Manager, TPQA, Hyderabad.
7. The Director General, EPTRI, Hyderabad.
8. The Task Team Leader, World Bank, New Delhi. (By E-mail)
9. The Project Director, NDMA, New Delhi. (By E-mail)
10. The P.S to Chief Secretary to Government of A.P. Hyderabad.
11. The P.S. to Principal Secretary, Finance (Exp.Rev) Department, A.P. Secretariat, Hyderabad.
12. The P.S. to Principal Secretary, Panchayati Raj, A.P. Secretariat, Hyderabad.
13. The P.S. to Principal Secretary, TR & B, A.P. Secretariat, Hyderabad.
14. The P.S. to Principal Secretary, I & CAD, A.P. Secretariat, Hyderabad.
15. The P.S. to Commissioner for Disaster Management & Ex-Officio Principal Secretary to Government, Revenue (DM) Department, A.P. Secretariat, Hyderabad.
16. SC/SF - 5

// Forwarded by Order //

SECTION OFFICER